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NOTE BY THE SECRETARY-GENERAL

The Secretary-General has the honour to transmit to the members of the Security Council the attached communication that he has received from the Director General of the International Atomic Energy Agency (IAEA).

Annex

Letter dated 19 May 1994 from the Director General of the International Atomic Energy Agency addressed to the Secretary-General

In a statement by the President of the Security Council on 31 March 1994 (S/PRST/1994/13), the Director General of IAEA was invited

> "to report further to the Security Council on the question of completion of the inspection activities agreed between IAEA and the Democratic People's Republic of Korea on 15 February 1994, and on follow-on inspections required to maintain continuity of safeguards and to verify that there has been no diversion of nuclear material required to be safeguarded".

Subsequent to this statement, the Agency has had several rounds of correspondence with the Democratic People's Republic of Korea. It was eventually agreed that a team of three inspectors would proceed to the Democratic People's Republic of Korea to complete some of the activities at the radiochemical laboratory that inspectors were not enabled to perform during the March inspection and to perform activities required to maintain continuity of safeguards knowledge, such as maintenance of cameras and exchange of seals. The team arrived in Pyongyang on 17 May and is expected to complete these inspection activities by 24 May. At the radiochemical laboratory the inspectors have now been enabled to perform safeguards measures that had been agreed with the Agency (gamma mapping and smear sampling from the plutonium glove-box area). The inspectors have also serviced all cameras and exchanged some seals. The inspection activities continue.

I am obliged, however, at this stage, to report a new important development. This relates to the refuelling of the 5MWe experimental nuclear power reactor. On 19 April the Democratic People's Republic of Korea notified IAEA of its intention to carry out "at an early date" the refuelling of that reactor. A refuelling of this reactor has been envisaged by the Democratic People's Republic of Korea for over a year.

As early as February 1993 the Agency provided the Democratic People's Republic of Korea with information about safeguards measures required in connection with such refuelling. The Agency has throughout made clear to the Democratic People's Republic of Korea that specific safeguards activities related to the selection, segregation and securing of certain fuel rods, are indispensable at the time of the core discharge operation. This is to enable the Agency to verify through measurements, at a later date, that no fuel in the reactor has been diverted in the past. The Agency needs to verify that the fuel discharged is the first core of the reactor, as the Democratic People's Republic of Korea has declared to be the case.

In its recent correspondence on this subject with the Democratic People's Republic of Korea, the Agency has emphasized that, if the inspection activities do not take place as required during the core discharge campaign, any subsequent measurements would be of no value, and the information necessary for the Agency

to verify that, in the past, there has been no diversion of nuclear material would be irretrievably lost. The Agency, therefore, urged the Democratic People's Republic of Korea not to initiate the core discharge campaign without enabling Agency inspectors to take the proposed measures. To proceed without these measures the Agency stated, would be a serious violation of the Safeguards Agreement and would maintain the uncertainty that now exists about the amount of nuclear material that exists in the Democratic People's Republic of Korea.

The Democratic People's Republic of Korea has continued to declare, however, that it has a "unique status" and is "not duty-bound at all to fully implement the obligations of the safeguards agreement". In line with this reasoning, the Democratic People's Republic of Korea expresses the view that activities related to the selection, segregation and securing of fuel rods are activities that cannot be permitted. The Democratic People's Republic of Korea has signalled a readiness to allow Agency inspectors to take measures that would enable the Agency to verify that the discharged fuel is not diverted, but will not allow measures to verify whether diversion of the fuel has taken place in the past.

The Agency has continued to make clear to the Democratic People's Republic of Korea that the Democratic People's Republic of Korea Safeguards Agreement, held to be valid by the IAEA Board of Governors and General Conference as well as by the United Nations General Assembly and Security Council, is the sole basis for the performance of IAEA safeguards activities in the Democratic People's Republic of Korea. Under that agreement, IAEA must take measures to enable it to verify that all nuclear material subject to safeguards is in fact under safeguards and has not been diverted.

On 12 May, the Democratic People's Republic of Korea informed IAEA that it had already started the refuelling campaign and that it would permit the inspection activities requested by IAEA (selection and securing of certain fuel rods for later measurement) "if the further round of Democratic People's Republic of Korea-United States of America talks would take place even during the core refuelling operation, enabling us [Democratic People's Republic of Korea] to remove the Democratic People's Republic of Korea's unique status within the framework of a package solution to the nuclear issue".

The Democratic People's Republic of Korea's telex added that "we have just started the core discharge operation and so the opportunity for selecting and securing of fuel rods still remains".

Until the receipt of that telex, the Agency had assumed that the core discharge campaign had been deferred and had expressed its readiness for discussions about technical arrangements relating to the required safeguards measures. In the light of the Democratic People's Republic of Korea's telex of 12 May, the Agency instructed its team of inspectors to verify whether the discharge of fuel from the reactor was still at an early stage, allowing the Agency to assess whether technical discussions about the required safeguards measures could still be meaningful.

The inspection team has now confirmed that the core discharge has started and has reported on the extent of the core discharge that has already taken

place. The Agency has concluded that a further discharge of fuel rods would jeopardize the possibility of the Agency applying the safeguards measures necessary to verify whether any fuel has been diverted in the past.

By a telex today, 19 May, IAEA has confirmed to the Democratic People's Republic of Korea that the discharge of fuel without the safeguards measures requested by IAEA constitutes a serious violation of the safeguards agreement. It has requested that arrangements be made promptly for the necessary safeguards measures and urged that, until these are in place, further discharge should be deferred. The assessment of the Agency is that, although some fuel rods are damaged and may need to be taken out of the reactor, there appears to be no overriding technical reasons that prevent the Democratic People's Republic of Korea from deferring further discharge activity until arrangements for the necessary safeguards measures have been made.

At the time of writing the present report, it still seems possible to implement the safeguards measures required. Should the Democratic People's Republic of Korea continue the discharge operation without these measures, however, it would result in irreparable loss of the Agency's ability to verify whether all nuclear material subject to safeguards in the Democratic People's Republic of Korea is in fact under safeguards and that no such material has been diverted.

In view of the above, the Agency has proposed sending a team of officials immediately to the Democratic People's Republic of Korea to discuss arrangements necessary for the implementation of the safeguards measures required in connection with the discharge operation.

I should be grateful if this letter could be brought to the attention of the Security Council.

(Signed) Hans BLIX